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For information

FINAL DECISIONS OF DUMPING ON HEAVY STEEL PLATE

For the Minister

ISSUE

The purpose of this note is to provide information regarding the final decisions with respect to the dumping investigation concerning heavy plate from Chinese Taipei, Germany, and Turkey.

On January 7, 2021, the Canada Border Services Agency (CBSA) will make a final determination of dumping in respect of certain heavy plate from Chinese Taipei and Germany. Provisional duties will continue to apply until the Canadian International Trade Tribunal (CITT) concludes its inquiry with respect to the injury to Canadian industry, which it must do by February 5, 2021.

Also on January 7, 2021, the CBSA will terminate the investigation in respect of heavy plate exported to Canada by Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (Erdemir), as it has not been dumped.

BACKGROUND

Heavy steel plate subject to this investigation is commonly used in the production of rail cars, oil and gas storage tanks, heavy machinery, agricultural equipment, bridges, industrial buildings, high-rise office towers, ships and barges, and pressure vessels.

The Canadian industry has the legislated right to be protected from unfairly priced imports, including goods that have been dumped. Dumping occurs when goods are sold to importers in Canada at prices that are less than their selling prices in the exporter's domestic market or at unprofitable prices.

The investigation follows a complaint filed on April 6, 2020, by Algoma Steel Inc. (Sault Ste. Marie, Ontario) and supported by SSAB Central Inc. and Janco Steel Ltd. respecting the alleged injurious dumping. The Canadian market for heavy steel plate has been estimated at annually.

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On July 24, 2020, the CITT concluded its preliminary injury inquiry and determined that there is a reasonable indication that the dumping of heavy steel plate from Chinese Taipei, Germany, Malaysia, South Korea, and Turkey has caused or is threatening to cause injury to the domestic industry.

A preliminary determination of dumping was made on October 9, 2020. At that time, provisional duty was put in place on dumped goods from Chinese Taipei, Germany, and Turkey while the investigation continued. Also on October 9, 2020, the CBSA terminated the dumping investigation with respect to heavy steel plate from South Korea and Malaysia, as the volume of goods shipped to Canada from these countries was negligible.

CONSIDERATIONS

The results of the dumping investigation reveal that, during the 12-month period of investigation (POI) from March 1, 2019, to February 29, 2020, the subject goods imported into Canada from Turkey by Erdemir were not dumped. As a result, on January 7, 2021, the CBSA, pursuant to paragraph 41(1)(a) of the *Special Import Measures Act*, will terminate the dumping investigation with respect to the above-mentioned exporter. The final results of the dumping investigation also reveal that, during the same period, the subject goods imported into Canada from Chinese Taipei and Germany were dumped. As a result, on January 7, 2021, the CBSA will also make a final determination of dumping confirming that the imports have been unfairly priced.

As a general practice, the CBSA uses a proactive communications approach at the initiation stage of an investigation and a responsive approach after that. On May 27, 2020, at the initiation of the dumping investigation, public notices, including an announcement on the CBSA's website, were issued. Media coverage of these types of decisions is generally limited to financial and trade publications and is usually factual in nature. As part of a responsive communications approach for the final decisions, the CBSA website and anticipatory media lines will be updated.

It is expected that the Canadian industry producing these goods will generally react positively to the determination, with the exception of where no dumping was found for one exporter. The governments of Chinese Taipei and Germany, as well as the exporting/importing community, may not be in agreement with some aspects of the Agency's final determination. As a result, the CBSA's actions on this case may draw attention from the international trading community. Global Affairs Canada is aware of the investigation and will be informed of the decisions.

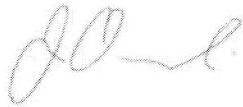
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NEXT STEPS

The CBSA has a legal requirement to advise key stakeholders of the final decisions being made on January 7, 2021. On that date, letters will be sent to key parties and the decisions will also be posted on the CBSA website. A Statement of Reasons, a public document containing details of the investigations, including explanations of how the Agency addressed representations made by interested parties, will be available on the CBSA website by January 22, 2021.

The matter has been referred to the CITT for an inquiry into the question of injury to the Canadian industry. The CITT must render a final decision by February 5, 2021. Provisional duty will continue to apply to imports of subject goods from Chinese Taipei and Germany until the CITT concludes its injury inquiry. However, provisional dumping duty on imports of goods exported from Turkey by Erdemir will cease, and all provisional dumping duty collected on these goods will be refunded.

Please note that I am available to discuss, or have CBSA officials brief your staff, at your convenience.



December 29, 2020

John Ossowski
 President

c.c.: Mr. Rob Stewart, Deputy Minister
 Public Safety Canada